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CAMBODIA: Communist efforts to cut Route 4 near Kompong Speu appear to be moving into high gear. Within the past several days, enemy forces have closed to within two miles of this provincial capital, against only light government resistance.

Although there appears to be no immediate threat to Kompong Speu itself, the Communists are likely to increase pressure on the town to draw government reserves into the area. This would weaken government defenses along Route 4 between Kompong Speu and Thnal Totung farther to the east. The enemy could then strike at any location along this stretch of Route 4. The road was reopened to government convoys only ten days ago, following a two-week occupation by enemy forces.

Another objective of the enemy's campaign is to eliminate the vestiges of government control in the countryside immediately surrounding Kompong Speu, where government pacification programs have had some success. Many villages have been burned, further swelling the refugee population.

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CHILE: The streets of Santiago were calm over the weekend, following Friday's abortive revolt by a single army unit. Most newspapers have continued publishing, although under some light-handed censorship by the military.

Most of the action is now taking place in the legislature, where President Allende's request for a six-month state of siege has run into the obstructionist tactics of the conservative National Party, augmented by opposition from the Christian Democrats.

The Christian Democrats say that they would support Allende's request if he would reorganize the cabinet to include military officers and assure that these officers may function without interference. Allende has not replied directly, but he has reduced the duration of his state of siege request from six to three months and eliminated references to press censorship.



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~~URUGUAY~~: The dissolution of the National Convention of Workers labor confederation this weekend underscores the military's stiffening resolve to press its will on all centers of national power which challenge its broadening role in government.

After closing Congress last Wednesday, the military had sought to deal with labor's immediate protest strike by wooing it with promises of a hefty wage increase and by giving it assurances that the military-dominated government of President Bordaberry would not take an anti-labor turn. In the face of continuing labor opposition, however, the military has abandoned this approach and has reportedly ordered the police to arrest about 200 labor officials, apparently in hopes of breaking the strike by rendering it leaderless. This latest action, coupled with the military's instructions to the police to act with restraint in evicting workers from occupied businesses, could encourage workers to return to their jobs at the beginning of this week, if public transportation is restored and service stations resume pumping gas.

Even if the President and the military succeed in getting the workers back on the job, they could still face future labor troubles. Some of the more hard-line labor leaders could escape arrest and continue to lead their followers clandestinely.

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USSR--AUSTRIA: Premier Kosygin begins a four-day trip to Austria today, primarily to demonstrate Soviet interest in close ties with this small but strategic neutral on the eve of multilateral European negotiations.

No Soviet leader has visited Vienna since Khrushchev did so in 1960. An Austrian invitation has been pending since 1968; both sides may find this a convenient opportunity to balance President Nixon's visit to Salzburg last year.

Kosygin and Chancellor Kreisky will doubtless discuss the European security conference that convenes in Helsinki tomorrow and, possibly, the Vienna force reduction talks that convene on 30 October. They are also likely to review Brezhnev's recent summitry.

Otherwise, the two men will probably attend to economic questions. Within the past year, Austria has concluded both an agreement with the European Communities and a ten-year pact for economic and technical cooperation with the USSR. Austria may be particularly anxious to renew its request that deliveries of Soviet natural gas be doubled. Earlier this year Soviet Trade Minister Patolichev unexpectedly declined Austria's request for additional gas, citing inadequate pipeline capacity.

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ICELAND: Norway's agreement to restrict fishing in waters claimed by Iceland will probably reinforce Reykjavik's obstinacy in dealing with London, its principal adversary. However, the agreement may also make it more difficult for domestic opponents of Iceland's NATO membership to represent the fishing dispute as an Icelandic-NATO confrontation.

Norway accepted limitations on the types and number of boats that may fish, but apparently has not recognized Iceland's jurisdiction. It is the second NATO country, after Belgium, to settle. Late last week, West German negotiators traveled to Iceland for another round of talks. Although agreement was not reached, Reykjavik will be encouraged to hope for a settlement on its terms by the announcement that Chancellor Brandt expects to visit Iceland in August.

Iceland last week also formally started the machinery for renegotiation of its defense treaty with the US. Opponents of the US-manned NATO base at Keflavik were able to force this action by arguing that NATO had been of no help in Iceland's attempt to get the UK to withdraw its naval vessels from the disputed waters. The split among NATO states will make this line more difficult to sustain, and Norway may even have enhanced its credentials with the Icelanders to a point where it can exercise a moderate influence on the base negotiations.

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